

Mayor Sam Liccardo 2016 State of the City Address March 5, 2016

Hello, my name is Sam, and I work for you.

Thank you Emmett Carson, for spearheading efforts to bolster educational outcomes for our kids, and for leading bold initiatives to confront the great need in our Valley.

Thank you to the all of the Overfelt students, teachers, and staff for hosting us today in the Dungeon! Overfelt has much to be proud of, having produced two Super Bowl champions, an Olympic Gold Medalist, and accomplished community leaders—including Parks Director Angel Rios, and a San Jose Vice Mayor, Rose Herrera. Yet we should really celebrate that under Principal Vito Chiala's leadership, three quarters of Overfelt grads are now enrolling in college, and that the number of Advanced Placement students has doubled in 5 years. That's how the Royals roll!

Thanks also to our MC, Camille Llanes-Fontanilla, for your work in empowering our immigrant families, and for your exemplary community leadership. Congratulations to each of our community and employee honorees for your inspirational service.

I'd also like to thank the members of the fiercest Mayoral staff in human history for putting on today's wonderful event, particularly Ahmad Chapman & David Low – can all of our team members please stand?

Most of all, I want to thank my incredible wife, Jessica, for her unfailing love and patience, for her tireless work expanding educational opportunity for kids, and for laughing at most of my bad jokes.

I also want to thank my family members who are here, Laura, Paul, Toni, and my Dad, Sal, for their support, and for modeling lives of integrity for me from a very young age. My family has also reliably supplied a source of opinions of my performance as mayor: for example, my wife's 5-year-old cousin, Mia, saw me on a TV newscast, and opined that "Sam doesn't really work or anything...He just talks a lot on TV."

I've learned a few lessons in my first year as Mayor—above all, to listen more, to talk less, and to laugh more. I've learned that when everyone knows you're the mayor, you can't escape a supermarket without buying girl scout cookies—so, my wife and I have 68 boxes of thin mints in our garage.

I've seen my colleagues on this Council and in our City workforce rise above the acrimony of the past to work collaboratively to achieve great results, reaching resolution on eleven union pay contracts, pension reform, and unanimously passing a balanced budget. Many members of our city workforce inspire me daily with their passion to improve services in a time of diminished resources.

And I've learned that this job would also come with its share of tears. No member of our community can forget the loss of one of our city's brightest lights, Officer Michael Johnson, who heroically gave his life defending our community on that tragic night of March 24th, almost a year ago. I'm grateful to Michael's wife, Nikki Chavez, and his mom, Kathrine Decker, for joining us here today. While we cannot fully know the depth of your grief, our hearts are with you—and we will not forget Michael's heroism.

Improving Public Safety and Broadening Economic Opportunity

A year ago, I committed to you that I'd focus on two goals: improving public safety, and broadening economic opportunity.

Public Safety

To make San Jose safer, we need to restore our depleted police department. We have much work to do to improve retention and hiring. Fortunately, we have made progress, reaching a settlement of longstanding battles over pension reform with each of our eleven unions, to create a more fiscally sustainable set of retirement benefits that will save our taxpayers \$3 billion over the next generation.

Thank you to our city employees and union leaders for stepping up, to enable the rebuilding of our workforce. Thank you also to Jennifer Schembri, City Manager Norberto Duenas, and our extraordinary city negotiators, who deprived themselves of sleep over many late nights and weekends to settle 13 separate, complex agreements in only six months.

In the weeks ahead, you'll see new initiatives to recruit former SJPD officers, new cadets, and military veterans. Even if we do everything right, though, restoring police staffing will take several years. So, we need to focus on ways we can make San Jose safer in the meantime:

• That's why we're restoring 14 firefighters – to add the equivalent of an engine company – to improve our emergency and fire response, and we're doubling the ranks of our Community Service Officers to better address burglaries and other property crimes.

- We're investing in technology to make our officers more effective, having launched a
 security camera registry that already has more than 300 participating residents and
 businesses. This summer, we will have upgraded computer terminals in every patrol car,
 and we're expanding use of data analytics to better anticipate "hot spots" of property crime.
- We're also preventing crime in new ways. We launched "San Jose Works" last summer, a jobs program for hundreds of teenagers living in gang-impacted neighborhoods. Thank you to County Supervisor Cindy Chavez for your partnership, and to our visionary employers like Home Depot, Jabil, Microsoft, and Target for enabling more than 700 kids to land their first jobs. Throughout the summer, we witnessed extraordinary strength of character in these kids: one teen used his first paycheck to buy groceries for his family; another young woman started her summer job the day she was released from Juvenile Hall—but her employer watched her self-confidence grow, and by the Fall, she was hired full-time. This summer, let's give 1,000 kids a path to building a resume rather than a rap sheet!

Finally, amid the national controversy over policing and race, San Jose is building community trust with our patrol officers. Our dynamic new Police Chief, Eddie Garcia, has improved training to de-escalate violent confrontations, and halted use of "choke holds." We've hired one of the nation's leading minds in police accountability, Walter Katz, as our Independent Police Auditor. In the months ahead, we'll publicly release data about police detentions and race, and, as Councilmember Ash Kalra and I have advocated, we'll install body-worn cameras on every patrolling officer's uniform.

Every member of this force will serve a community that appreciates her work, both for ensuring that San Jose continues to have the lowest violent crime rate of any major U.S. city, AND for making SJPD America's most trusted police department.

Celebrating Economic Growth

In addition to safety, I embraced a second challenge: broadening our Valley's prosperity.

Last year, San Jose boasted among the highest job growth of any major metro area in the country. We welcomed titans like Apple and Google, we cut the ribbon on Samsung's new America's headquarters, and we announced the arrival of fast-growing companies like Dice, Silver Spring Networks, and Splunk. Naturally, like any other Mayor, I'd like to take credit for all of this good news. And since it's supposed to rain today, I'd also prefer to take credit for ending the drought. But the thanks really go to our incredible tech employers.

At the airport, longstanding efforts to recruit international flights have borne fruit with four new destinations – Beijing, Frankfurt, London, Vancouver, and soon, we hope, Shanghai – supporting hundreds of new jobs. Thank you airport staff, Silicon Valley Leadership Group, and Chamber of Commerce for your advocacy!

We've opened the only U.S. Patent and Trademark Office on the West Coast—thank you Congresswoman Zoe Lofgren, former Mayor Chuck Reed, and Carl Guardino for making it happen!

We cut the ribbon on a world-class professional soccer stadium for the most fervent soccer fans in the nation—thank you Earthquakes! ...and after a quarter century of Sharks swimming in San Jose's waters, we've committed to another decade together at the Arena. Thank you Sharks!

Meanwhile, we see Downtown undergoing a long-awaited transformation. By reducing fees and accelerating permitting, thousands of new apartments and dozens of tech employers have emerged Downtown, reshaping our skyline and revitalizing our streetscape. Thank you to the many partners—including Scott Knies and the Downtown Association, to Danny Harris at the Knight Foundation, and Dr. Lisa Vollendorf at San Jose State University—who are helping to create our vibrant urban center.

Thank you to all of our partners for making 2015 the biggest year in San Jose's economic history!

I have to give a shout-out to our small but mighty economic development team, led by Kim Walesh, Nanci Klein, & Harry Freitas, and in my office, Ru Weerkoon—this is the only team on the planet that had a better year than the Golden State Warriors.

We've got more work to do, though. Above all, we've got to make it easier for small businesses to succeed, and that starts with reducing red tape and regulatory burdens. Thanks to Chamber of Commerce CEO Matt Mahood for leading a task force to explore creating a process of self-certification for inspection and permit approvals to lessen those burdens. We're also broadening opportunities for minority and women-led small businesses to bid on city projects, thanks to the leadership of Councilmember Chappie Jones.

Broadening Prosperity

Yet the economy's rising tide means little to the thousands who have been left gasping for air.

We have to do more to get thousands of our homeless residents housed, despite our constrained resources. This year, we're rehabilitating two deteriorating motels as apartments, and using a novel construction technique to build a 150-unit microhousing village on city land. We're also engaging dozens of homeless residents through Downtown Streets Team to rid our city's gateways of blight and trash in exchange for housing and job training – thanks to Councilmember Tam Nguyen for pushing to expand their good work to clean up the Monterrey Road corridor.

Under Councilmember Raul Peralez's leadership, we're exploring an innovative project to reduce street homelessness within the Downtown using a combination of housing, on-site supportive services, and

integrated street outreach. Thank you Councilmember Don Rocha for your work on the County's Homelessness Task Force to seek additional solutions.

Our most compelling moral obligation lies in housing those who have served our nation. Can I ask our Veterans in the audience to place stand? Thank you for your service.

Now it's our turn. In partnership with Destination: Home, the County of Santa Clara, and our veteran community leaders, including Air Force veteran Vice Mayor Rose Herrera, we've made a commitment, by our nation's celebration of the 100th Anniversary of Veteran's Day in 2018, to bring our Valley's 700 homeless veterans "All the Way Home." Thanks to Board President Dave Cortese for joining forces in this effort. In the weeks ahead, we'll be convening our faith leaders to engage their congregations in the "Housing One Hero" campaign – my special thanks to the dozens of faith leaders who have already stepped up!

In addition to the homeless, our neighbors include thousands more families whose breadwinners work multiple jobs to pay rent. We must do more to enable their boats to rise with our Valley's extraordinary prosperity.

- Manufacturing jobs provide a promising pathway to the middle class, so last summer, we launched a program to boost tech manufacturing by accelerating permits, waiving fees, and assisting employers with workforce training. More than 50 residents are getting trained now through Work2Future, including David Hovgaard, a 52-year-old lithographer who lost his job two years ago. After completing a computerized machine tool training course, David now proudly works for Flextronics as a Machine Operator.
- Through our "TechHire" partnership with the White House and local companies, we'll enable 1,000 of our young adults get the digital skills they need to pursue a technology-enabled career in the years ahead.
- In April, the Council can provide greater protections for thousands of tenants subject to skyrocketing rents through changes to our City's rent control laws.
- I'm also leading a regional effort to increase the minimum wage for all Santa Clara County residents. My fellow mayors and I plan to bring proposals to our councils this fall.

Finally, we're engaging the immigrant community in new ways. Building on the efforts of former Vice Mayor Madison Nguyen, we've launched our city's first "Office of Immigrant Affairs" to create pathways to attain citizenship, expand access to city business opportunities and services, and prepare for administrative relief. Half of our small businesses are immigrant-led, so with the advocacy of Councilmember Manh Nguyen, we're adding a Vietnamese-speaking Small Business Ally to our small team of Spanish- and English-speakers. Let's make the American Dream more accessible to our many immigrant entrepreneurs.

Looking Ahead

Indeed, we are a city of immigrants—almost 40% of our adults hail from a foreign country. That is our collective past, and our present. So too, our future should be guided by the great insight spawned by our collective immigrant experience, that our lives gain meaning not through our own well-being, but through our sacrifice for the benefit of our children.

Of course, Madison Avenue, Hollywood, and Wall Street instruct us differently, in an era governed by the tyranny of the urgent: shareholders demand quarterly results, media fixate on a 24-hour news cycles, and Donald Trump articulates his deepest thoughts in 140-character tweets. All of this can infect our thinking with a myopia – or near-sightedness – that satisfies today, but betrays the future. This myopia stokes our humanity's consumption of natural resources at unsustainable rates, it perpetuates poverty through under-investment in education, and it spurs the delusion that we can spend today and allow the next generation to pick up the tab.

We can succumb to this myopia, and relegate ourselves to lives of narrow self-absorption. Or we can embrace a bolder vision, and a more magnanimous spirit-- one shared by our immigrant community and by our forebears--to make decisions today for the benefit of future generations.

It is this noble commitment that must guide us. It implores us first, to save; second, to invest, and third, to innovate.

Save

First we must save. At the very minimum, that requires that we stop spending our children's money for them. Yet past promises have saddled future generations will billions in debt. In November, I will ask you to approve a ballot measure to secure the \$3 billion in savings of future pension and retiree medical costs we obtained through negotiations with our employees. Together, we can conclude the most extensive pension reform negotiated in virtually any city in the nation.

Saving also must become more prominent in our budgeting. A recent city audit reveals that for decades, our city has seriously underfunded its reserves, which can help buffer residents from severe service cuts during recessions. To improve our fiscal resilience, I will propose in my Budget Message that we bolster our underfunded reserves.

Invest: Services & Transportation

Our commitment to the future also compels us to invest. Now, after years of tightening our belt with pension reform, and eliminating costly benefits like sick-leave payouts, we can truthfully assure our

residents that any new revenues will not merely feed a black hole of debt, but will actually restore services.

So, I've proposed a tax measure on this June ballot to provide revenue to restore fire and police staffing, along with other critical services. We have the opportunity to ensure that we never again see families lose their homes to fire only a few yards away from a "browned out" fire station, as we witnessed on Auzerais Avenue last week. We also must reverse the decades of deterioration of our roads and basic infrastructure. For every \$1 we decline to spend today in basic street maintenance, we'll spend another \$5 in road rehabilitation. Fiscal prudence demands that we not burden our children with our neglect.

Speaking of our transportation, we will either endure a future of gridlock from the West Valley corridor to East San Jose, or we will build a transportation system worthy of America's 10th largest city. Next year, BART will open in San Jose's Berryessa neighborhood ahead of schedule, and tens of millions under budget – thank you VTA, Nuria Fernandez, and Carl Guardino. But we need to keep it going. In November, we must pass a measure to make critical investments in street maintenance, CalTrain, freeways, expressways, bikeways and trails—and to finally finish the job of bringing BART to Alum Rock, to Downtown, and on to Santa Clara!

Invest: Our Children

Our most crucial investment of all is in our children. Through our partnership with the Silicon Valley Community Foundation and the White House, we have launched the My Brothers' Keeper initiative to expand educational opportunities to enable more of San Jose's children to rise from poverty to prosperity.

- Through "San Jose Learns, we've just launched high-quality after-school learning programs for 650 kids in 13 of our highest-poverty neighborhoods. With Councilmember Magdalena Carrasco, five school districts, and partners like the Community Foundation and Innovate Public Schools, we'll identify the most promising, innovative learning methods, and scale them for broader impact. Thanks to support from the Shortino Foundation, we'll expand programs this summer to kids in Franklin-McKinley schools!
- Last July, we expanded library hours in every neighborhood from 4 ½ to 6 days a week, aided by Councilmember Pierluigi Oliverio's advocacy to better utilize our volunteers' efforts. Under the leadership of Library Director Jill Bourne, we're transforming how our libraries serve our kids, with innovative early learning programs, "coding camps," maker spaces, on-line classes, and hundreds of other science and technology workshops.

Our children's health also demands our investment.

Overweight youth comprise 36% of San Jose's elementary school students, and face a life of health risks. We're going to get them moving by investing in a world-class, multi-field community soccer complex

with the Earthquakes, and a four-field softball complex right here in East San Jose. We're going to broaden access to these and other playing fields citywide, with expanded joint use agreements with our school districts.

Our kids' dental health has also suffered in recent years, but studies show that fluoridated water reduces incidence of tooth decay by up to 40%. Every major U.S. city has fluoridated water—except San Jose. Working with Fred Ferrer at the Health Trust and the Santa Clara Valley Water District, we're going to bring our water into the 21st century for the health of future generations.

Innovate

Of course, we must make these investments in a time of scarce resources. Funding constraints will remain as our city's burgeoning needs grow. We cannot afford to do the same things, the same way as in the past.

We must innovate. Fortunately, we benefit from living in the most limit-defying community on the planet: Silicon Valley. We are empowered to catalyze change globally—through our creativity, our innovative passion...our "inner geek"! This transformative "inner geek" is within each of us: the ability to focus our energies on a problem, to see it differently, and to find innovative solutions.

Can we put this power to work to benefit our city... to make our neighborhoods safer... to tackle homelessness... or to reduce traffic congestion? In partnership with our city employees, can we make City Hall as innovative as the community we serve?

We can... and we will. If we "unleash our geek," we can transform our city!

In the months ahead, we'll launch a series of initiatives to make San Jose the most innovative city in the nation by 2020.

- We'll make San Jose a Global Demonstration City. We'll transform our city into a laboratory and platform for the latest technologies, such as using sensors to make our transportation infrastructure "smarter," and improve the energy efficiency of our buildings. We'll encourage innovations both sophisticated and simple. For example, we all dread seeing graffiti on our freeway bridges and overpasses. It often takes months to shut down the freeway to clean the graffiti. In the weeks ahead, we're launching a competition among bright students at San Jose State and Santa Clara University to design a mechanical device that will paint over that graffiti immediately.
- We'll also make San Jose an Inclusive City, where all residents can participate in our Valley's
 prosperity and culture of innovation. We're working with several private sector partners to
 launch high-speed 1- and 2-gibabit internet access for thousands of families and small
 businesses at no or reduced cost.

- We'll make San Jose an Engaged City. We'll implement new tools like Textizen, Next Generation 911, and a neighborhood dashboard, to enable you to communicate better with City Hall, and participate more meaningfully in decisions that affect you, such as through participatory budgeting.
- We'll make San Jose a Digital City to improve city services and accountability. For example, we'll enable on-line transactions for every ministerial permit, electronic submittal of every building plan, and real-time notification to customers of the status of inspection requests. We'll also open nearly all of our city's data to the public. With a more robust open data portal, we'll provide greater transparency, and leverage the bright minds around us to use that data to create service-enhancing applications.

By employing this spirit of innovation, we can make San Jose safer, more sustainable, and smarter!

Much work is underway already. The Council has approved investments in upgrading city software platforms. Dozens of city staffers have begun implementing new data tools, and we've formed an analytics team. We've created a Mayoral Innovation Fellows program to enlist bright students and civic-minded technologists. Councilmember Johnny Khamis and city staff have worked to launch a budget data visualization tool for the public. We've actively engaged tech companies, national foundations, and local universities for their expertise and resources.

Yes, this is about leveraging our technology, but more importantly, it's about leveraging our people, and the power of our ideas. To "unleash your geek" doesn't require new gadgets or apps. Rather, it requires re-imagining our city, and ourselves. For example, how can we re-envision our public spaces, to transform empty lots to community gardens, re-claim underutilized streets for public parks, or create pop-up opportunities for retail in struggling neighborhoods?

We'll explore these ideas together—so join us, and unleash your geek!

Closing

So many immigrants and families like my grandparents' first set foot in San Jose when we were the "Valley of Heart's Delight." They fell in love with a city in which people of any ethnicity or income could forge extraordinary lives. They shared a unique optimism, a faith, a passion for our future. It was our "heart" that defined us.

Our city is still defined by our heart. And while our City motto describes us the Capital of Silicon Valley, we are the more truly, the "Heart of Silicon Valley."

There are plenty of opportunities for work in Silicon Valley, but our heart isn't where we work. It's where we play, we pray, we live, we love, we create, and we learn. It's where we engage with familiar friends, and where we're inspired by new ideas.

In the heart of Silicon Valley, we encounter captivating murals in Japantown or East San Jose, or flourishing performing arts at the Mexican Heritage Plaza or in a Spartan-revived Hammer Theater. In the heart of Silicon Valley, children become filled with wonder at the Tech or the Children's Discovery Museum, or delight in exploring the farm at Emma Prusch Park. We're the heart of Silicon Valley because we open our arms to immigrants, and as we open our hearts to the homeless and those left behind.

Together, we'll provide a model to world for civic innovation, but also for civic commitment. With our minds, we'll unleash our geek, but with our hearts, we'll ignite the power of our imaginations to transform our city.

Together, we'll reclaim our neighborhoods... re-engage our community... restore the hopes of the struggling... and reimagine our collective future.

We'll fall in love with our city again, and inspire others to follow our lead.

And we'll proudly proclaim, we are San Jose!

Thank you.